



State of Utah

JON M. HUNTSMAN, JR.  
*Governor*

GARY HERBERT  
*Lieutenant Governor*

Department of  
Environmental Quality

Richard W. Sprott  
*Executive Director*

DIVISION OF AIR QUALITY  
Cheryl Heying  
*Director*

DAQ-083-08

**MEMORANDUM**

**TO:** Air Quality Board

**THROUGH:** Cheryl Heying, Executive Secretary

**FROM:** Mat Carlile, Energy Program Coordinator

**DATE:** November 17, 2008

**SUBJECT:** FINAL ADOPTION: Amend R307-121, General Requirements: Clean Fuel Vehicle Tax Credits; and FIVE-YEAR REVIEW: R307-121, General Requirements: Clean Fuel Vehicle Tax Credits

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On September 3, 2008, the Air Quality Board proposed for comment amendments to R307-121, General Requirements: Clean Fuel Vehicle Tax Credits. A public comment period was held October 1-31, 2008. No comments were received.

Staff Recommendation: DAQ staff recommends that R307-121 be adopted as proposed.

In addition, DAQ has completed a five-year review for R307-121, and as a separate action staff recommends that the Board continue this rule by approving the attached forms to be filed with the Division of Administrative Rules.

**R307. Environmental Quality, Air Quality.****R307-121. General Requirements: Clean Air and Efficient Vehicle Tax Credit.****R307-121-1. Authorization and Purpose.**

This rule is authorized by Sections 59-7-605 and 59-10-1009. These statutes establish criteria and definitions used to determine eligibility for an income tax credit. R307-121 establishes procedures to provide proof of purchase to the Board for an OEM vehicle or the conversion of a motor vehicle for which an income tax credit is allowed under Sections 59-7-605 and 59-10-1009.

**R307-121-2. Definitions.**

Definitions. The following additional definitions apply to R307-121.

"Air quality standards" means air quality standards as defined in Subsection 59-7-605(1)(a) and 59-10-1009(1)(a).

"Clean fuel" means clean fuel as defined in Subsection 19-1-402(1).

"Clean fuel vehicle" means clean fuel vehicle as defined in Subsection 19-1-402(2).

"Conversion equipment" means a package which may include fuel, ignition, emissions control, and engine components that are modified, removed, or added to a motor vehicle or special mobile equipment to make that motor vehicle or equipment eligible.

"Fuel economy standards" means fuel economy standards as defined in Subsection 59-7-605(1)(f) and 59-10-1009(1)(f).

"Manufacturer's Statement of Origin" means a certificate showing the original transfer of a new motor vehicle from the manufacturer to the original purchaser.

"Motor Vehicle" means a motor vehicle as defined in 41-1a-102.

"Original equipment manufacturer(OEM) vehicle" means original equipment manufacturer(OEM) as defined in Subsection 19-1-402(8).

"Original purchase" means original purchase as defined in Subsection 59-7-605(1)(i) and 59-10-1009(1)(i).

**R307-121-3. Demonstration of Eligibility for OEM Compressed Natural Gas Vehicles.**

To demonstrate that an OEM Compressed Natural Gas vehicle is eligible, proof of purchase shall be made by submitting the following documents to the executive secretary:

(1)(a) a copy of the Manufacturer's Statement of Origin or equivalent manufacturer's documentation showing that the motor vehicle is an OEM Compressed Natural Gas vehicle, or

(b) a signed statement by an Automotive Service Excellence (ASE)-certified technician that includes the vehicle identification number (VIN) and states that the motor vehicle is an eligible OEM vehicle;

(2) an original or copy of the purchase order, customer invoice, or receipt including the VIN, purchase date, and price of the motor vehicle; and

(3) a copy of the current Utah vehicle registration.

**R307-121-4. Demonstration of Eligibility for Motor Vehicles that meet Air Quality and Fuel Economy Standards**

To demonstrate that a motor vehicle is eligible for the tax credit based on air quality and fuel economy standards, proof of purchase shall be made by submitting the following documents to the executive secretary:

(1) a copy of the Manufacturer's Statement of Origin or equivalent manufacturer's documentation;

(2) a signed statement from the taxpayer claiming the tax credit, stating that the motor vehicle was acquired as the original purchase;

(3) an original or copy of the purchase order, customer invoice, or receipt including the VIN, purchase date, and price of the motor vehicle;

(4) the underhood identification number or engine group of the motor vehicle; and

(5) a copy of the current Utah vehicle registration.

**R307-121-5. Demonstration of Eligibility for Motor Vehicles Converted to Natural Gas or Propane.**

To demonstrate that a conversion of a motor vehicle to be fueled by natural gas or propane is eligible for the tax credit, proof of purchase shall be made by submitting the following documentation to the executive secretary:

(1) the VIN;

(2) the fuel type before conversion;

(3) the fuel type after conversion;

(4)(a) a copy of the motor vehicle inspection report from an approved station showing that the converted motor vehicle meets all county emissions requirements for all installed fuel systems if the motor vehicle is registered within a county with an inspection and maintenance (I/M) program, or

(b) in all other areas of the State, a signed statement by an ASE-certified technician that includes the VIN and states that the conversion is functional;

(5) each of the following:

(a) the conversion equipment manufacturer,

(b) the conversion equipment model number,

(c) the date of the conversion, and

(d) the name, address, and phone number of the person that converted the motor vehicle;

(6) proof of certification required in 59-10-1009(1)(b) or 59-7-605(1)(b);

(7) an original or copy of the purchase order, customer invoice, or receipt; and

(8) a copy of the current Utah vehicle registration.

**R307-121-6. Demonstration of Eligibility for Motor Vehicles Converted to Electricity.**

(1) To demonstrate that a conversion of a motor vehicle to

be powered by electricity is eligible for the tax credit, proof of purchase shall be made by submitting the following documentation to the executive secretary:

- (a) the VIN;
- (b) the fuel type before conversion;
- (c) the fuel type after conversion;
- (d) each of the following:
  - (i) the conversion equipment manufacturer,
  - (ii) the conversion equipment model number,
  - (iii) the date of the conversion, and
  - (iv) the name, address, and phone number of the person that converted the motor vehicle;
- (e) an original or copy of the purchase order, customer invoice, or receipt; and
- (f) a copy of the current Utah vehicle registration.

(2) If the converted motor vehicle does not have any auxiliary sources of combustion emissions, then the applicant shall submit a signed statement by an ASE-certified technician that includes the VIN and states that the conversion is functional, and that the converted motor vehicle does not have any auxiliary source of combustion emissions.

(3) If the converted motor vehicle has an auxiliary source of combustion emissions, then the applicant shall submit:

- (a) a copy of the vehicle inspection report from an approved station showing that the converted motor vehicle meets all county emissions requirements for all installed fuel systems if the motor vehicle is registered within a county with an I/M program, or
- (b) in all other areas of the State, a signed statement by an ASE-certified technician that includes the VIN and states that the conversion is functional, and
- (c) proof of certification required in 59-10-1009(1)(b) or 59-7-605(1)(b).

#### **R307-121-7. Demonstration of Eligibility for Special Mobile Equipment Converted to Clean Fuels.**

To demonstrate that a conversion of special mobile equipment to be fueled by clean fuel is eligible for the tax credit, proof of purchase shall be made by submitting the following documentation to the executive secretary:

- (1) a description, including serial number, of the special mobile equipment for which credit is to be claimed;
- (2) the fuel type before conversion;
- (3) the fuel type after conversion;
- (4) the conversion equipment manufacturer and model number;
- (5) the date of the conversion;
- (6) the name, address and phone number of the person that converted the special mobile equipment; and
- (7) an original or copy of the purchase order, customer invoice, or receipt; and
- (8) proof of certification required in 59-10-1009(1)(b) or 59-7-605(1)(b).

**KEY: air pollution, alternative fuels, tax credits, motor**

1 **vehicles**

2 **Date of Enactment or Last Substantive Amendment: 2008**

3 **Notice of Continuation: July 13, 2007**

4 **Authorizing, and Implemented or Interpreted Law: 19-2-104; 19-1-**  
5 **402; 59-7-605; 59-10-1009**

**R277-704-2. Authority and Purpose.**

A. This rule is authorized under Utah Constitution Article X, Section 3 which gives general control and supervision of the public school system to the Board, by Section 53A-13-110 which directs the Board to work with financial and economic experts and private and non-profit entities to develop and integrate financial and economic literacy and skills into the public school curriculum at all appropriate levels and to develop a financial and economic literacy student passport which is optional for students and tracks student mastery of financial and economic literacy concepts, and by Section 53A-1-401(3) which permits the Board to adopt rules in accordance with its responsibilities.

B. The purpose of this rule is:

(1) to provide funds appropriated by the Legislature to develop and integrate financial and economic literacy concepts effectively into the core curriculum in various programs and at various grade levels;

(2) to begin the development of a financial and economic literacy student passport;

(3) to provide for educator professional development using business and community expertise, allowing for maximum creativity and flexibility;

(4) to provide curriculum resources and assessments for financial and economic literacy;

(5) to provide passport criteria and tracking capabilities for the financial and economic literacy passport for students grades K-12; and

(6) to provide simple and consistent messaging to students that becomes part of the core curriculum that reinforces the importance of financial and economic literacy and helps students and their parents to locate and use school and community resources to improve financial and economic literacy among students and families.

**R277-704-3. Financial and Economic Literacy Student Passport.**

A. The Board and the USOE shall develop and promote a financial and economic literacy student passport model, which would include tracking of student progress toward a passport.

B. Early efforts will focus on students in grades nine through 12.

C. Development efforts will include parent and community participation.

D. A major goal of the development and promotion of a financial and economic literacy student passport will be to inform and educate students and their parents throughout the public school experience of the importance of financial and economic literacy and its applicability to all areas of the public school curriculum.

E. Students and parents shall receive information and encouragement toward the financial and economic literacy student passport opportunity upon development as part of the SEOP process.

**R277-704-4. Financial and Economic Literacy Professional Development Opportunities.**

A. The USOE shall provide professional development on all areas of financial and economic literacy utilizing the expertise of community and business groups.

B. Professional development activities shall inform public school educators about financial and economic literacy, encourage greater understanding of personal financial and economic responsibility, provide information and resources for teaching about financial and economic literacy without promoting specific products

or businesses, and work with the USOE to develop messaging or advertising to promote financial and economic literacy.

**KEY: financial, economic, literacy**

**Date of Enactment or Last Substantive Amendment: 2008**

**Authorizing, and Implemented or Interpreted Law: Art X Sec 3; 53A-13-110; 53A-1-401(3)**

## Environmental Quality, Air Quality

# R307-121

## General Requirements: Clean Fuel Vehicle Tax Credits

### NOTICE OF PROPOSED RULE

(Amendment)

DAR FILE NO.: 31928

FILED: 09/04/2008, 09:37

### RULE ANALYSIS

PURPOSE OF THE RULE OR REASON FOR THE CHANGE: The Utah Legislature revised the State's Clean Fuel tax credit during the 2008 legislative session (H.B. 106). (DAR NOTE: H.B. 106 (2008) is found at Chapter 153, Laws of Utah 2008, and will be effective 01/01/2009.)

SUMMARY OF THE RULE OR CHANGE: The Division of Air Quality (DAQ) staff have reviewed Rule R307-121 and determined that a few modifications are necessary to make it consistent with the new legislation. DAQ is proposing the following amendment to Rule R307-121: add additional language requiring the purchase date and price of the vehicle for Compressed Natural Gas (CNG) vehicles; add a new subsection that addresses the eligibility requirements for vehicles that meet air quality and fuel economy standards; add a new subsection that addresses the eligibility requirements for vehicles converted to electricity; add definitions for "air quality standards", "fuel economy standards", "motor vehicle", and "original purchase" to the rule; and change the titles of Rule R307-121 and Section R307-121-3.

STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS RULE: Sections 19-2-104, 19-1-402, 59-7-605, and 59-10-1009

### ANTICIPATED COST OR SAVINGS TO:

❖ THE STATE BUDGET: No cost or savings are anticipated with this rule change. This rule is implementing statutory change during the 2008 legislative session, H.B. 106.

❖ LOCAL GOVERNMENTS: No cost or savings are anticipated with this rule change. This rule is implementing statutory change during the 2008 legislative session, H.B. 106.

❖ SMALL BUSINESSES AND PERSONS OTHER THAN BUSINESSES: Small Business: No cost or savings are anticipated with this rule change. This rule is implementing statutory change during the 2008 legislative session, HB106S1. Other Persons: No cost or savings are anticipated with this rule change. This rule

is implementing statutory change during the 2008 legislative session, H.B. 106.

COMPLIANCE COSTS FOR AFFECTED PERSONS: No compliance costs are anticipated with this rule change. No new regulatory requirements were created with this rule change.

COMMENTS BY THE DEPARTMENT HEAD ON THE FISCAL IMPACT THE RULE MAY HAVE ON BUSINESSES: No cost or savings are anticipated with this rule change. This rule is implementing statutory change during the 2008 legislative session, H.B. 106. Rick Sprott, Executive Director

THE FULL TEXT OF THIS RULE MAY BE INSPECTED, DURING REGULAR BUSINESS HOURS, AT:

ENVIRONMENTAL QUALITY  
AIR QUALITY  
150 N 1950 W  
SALT LAKE CITY UT 84116-3085, or  
at the Division of Administrative Rules.

DIRECT QUESTIONS REGARDING THIS RULE TO:  
Kimberly Kreykes at the above address, by phone at 801-536-4042, by FAX at 801-536-4099, or by Internet E-mail at [kkreykes@utah.gov](mailto:kkreykes@utah.gov)

INTERESTED PERSONS MAY PRESENT THEIR VIEWS ON THIS RULE BY SUBMITTING WRITTEN COMMENTS TO THE ADDRESS ABOVE NO LATER THAN 5:00 PM on 10/31/2008.

THIS RULE MAY BECOME EFFECTIVE ON: 01/01/2009

AUTHORIZED BY: Bryce Bird, Planning Branch Manager

### **R307. Environmental Quality, Air Quality.**

#### **R307-121. General Requirements: ~~[Clean Fuel Vehicle Tax Credits]~~ Clean Air and Efficient Vehicle Tax Credit.**

##### **R307-121-1. Authorization and Purpose.**

This rule is authorized by Sections 59-7-605 and 59-10-1009. These statutes establish criteria and definitions used to determine eligibility for an income tax credit. R307-121 establishes procedures to provide proof of purchase to the Board for an OEM vehicle or the conversion of a motor vehicle for which an income tax credit is allowed under Sections 59-7-605 and 59-10-1009.

##### **R307-121-2. Definitions.**

Definitions. The following additional definitions apply to R307-121.

"Air quality standards" means air quality standards as defined in Subsection 59-7-605(1)(a) and 59-10-1009(1)(a).

"Clean fuel" means clean fuel as defined in Subsection 19-1-402(1).

"Clean fuel vehicle" means clean fuel vehicle as defined in Subsection 19-1-402(2).

"Conversion [E]quipment" means a package which may include fuel, ignition, emissions control, and engine components that are modified, removed, or added to a motor vehicle or special mobile equipment to make that motor vehicle or equipment eligible.

"Fuel economy standards" means fuel economy standards as defined in Subsection 59-7-605(1)(f) and 59-10-1009(1)(f).

"Manufacturer's Statement of Origin" means a certificate showing the original transfer of a new motor vehicle from the manufacturer to the original purchaser.

"Motor Vehicle" means a motor vehicle as defined in 41-1a-102.

"Original equipment manufacturer(OEM) vehicle" [is]means original equipment manufacturer(OEM) as defined in Subsection 19-1-402(8).

"Original purchase" means original purchase as defined in Subsection 59-7-605(1)(i) and 59-10-1009(1)(i).

#### **R307-121-3. Demonstration of Eligibility for OEM Compressed Natural Gas Vehicles.**

To demonstrate that an OEM Compressed Natural Gas vehicle is eligible, proof of purchase shall be made by submitting the following documents to the executive secretary:

(1)(a) a copy of the Manufacturer's Statement of Origin or equivalent manufacturer's documentation showing that the motor vehicle is an OEM Compressed Natural Gas vehicle, or

(b) a signed statement by an Automotive Service Excellence (ASE)[-]-certified technician that includes the vehicle identification number (VIN) and states that the motor vehicle is an eligible OEM vehicle;[-and]

(2) an original or copy of the purchase order, customer invoice, or receipt including the VIN, purchase date, and price of the motor vehicle; and

(3) a copy of the current Utah vehicle registration.

#### **R307-121-4. Demonstration of Eligibility for Motor Vehicles that meet Air Quality and Fuel Economy Standards.**

To demonstrate that a motor vehicle is eligible for the tax credit based on air quality and fuel economy standards, proof of purchase shall be made by submitting the following documents to the executive secretary:

(1) a copy of the Manufacturer's Statement of Origin or equivalent manufacturer's documentation;

(2) a signed statement from the taxpayer claiming the tax credit, stating that the motor vehicle was acquired as the original purchase;

(3) an original or copy of the purchase order, customer invoice, or receipt including the VIN, purchase date, and price of the motor vehicle;

(4) the underhood identification number or engine group of the motor vehicle; and

(5) a copy of the current Utah vehicle registration.

#### **R307-121-[4]5. Demonstration of Eligibility for Motor Vehicles Converted to ~~[Clean Fuels]~~ Natural Gas or Propane.**

To demonstrate that a conversion of a motor vehicle to be fueled by ~~[clean fuel]~~ natural gas or propane is eligible for the tax credit, proof of purchase shall be made by submitting the following documentation to the executive secretary:

(1) the VIN;

(2) the fuel type before conversion;

(3) the fuel type after conversion;

(4)(a) ~~[if the vehicle is registered within a county with an inspection and maintenance (I/M) program,]~~ a copy of the motor vehicle inspection report from an approved station showing that the converted ~~[clean fuel]~~ motor vehicle meets all county emissions requirements for all installed fuel systems if the motor vehicle is

registered within a county with an inspection and maintenance (I/M) program, or

(b) in all other areas of the State, a signed statement by an ASE[ ]-certified technician that includes the VIN and states that the conversion is functional;

(5) each of the following:

- (a) the conversion equipment manufacturer,
- (b) the conversion equipment model number,
- (c) the date of the conversion, and

(d) the name, address, and phone number of the person that converted the motor vehicle;

(6) proof of certification required in 59-10-1009(1)(b) or 59-7-605(1)(b);

(7) an original or copy of the purchase order, customer invoice, or receipt; and

(8) a copy of the current Utah vehicle registration.

#### **R307-121-6. Demonstration of Eligibility for Motor Vehicles Converted to Electricity.**

(1) To demonstrate that a conversion of a motor vehicle to be powered by electricity is eligible for the tax credit, proof of purchase shall be made by submitting the following documentation to the executive secretary:

(a) the VIN;

(b) the fuel type before conversion;

(c) the fuel type after conversion;

(d) each of the following:

- (i) the conversion equipment manufacturer,
- (ii) the conversion equipment model number,
- (iii) the date of the conversion, and

(iv) the name, address, and phone number of the person that converted the motor vehicle;

(e) an original or copy of the purchase order, customer invoice, or receipt; and

(f) a copy of the current Utah vehicle registration.

(2) If the converted motor vehicle does not have any auxiliary sources of combustion emissions, then the applicant shall submit a signed statement by an ASE-certified technician that includes the VIN and states that the conversion is functional, and that the converted motor vehicle does not have any auxiliary source of combustion emissions.

(3) If the converted motor vehicle has an auxiliary source of combustion emissions, then the applicant shall submit:

(a) a copy of the vehicle inspection report from an approved station showing that the converted motor vehicle meets all county emissions requirements for all installed fuel systems if the motor vehicle is registered within a county with an I/M program, or

(b) in all other areas of the State, a signed statement by an ASE-certified technician that includes the VIN and states that the conversion is functional, and

(c) proof of certification required in 59-10-1009(1)(b) or 59-7-605(1)(b).

#### **R307-121-[5]7. Demonstration of Eligibility for Special Mobile Equipment Converted to Clean Fuels.**

To demonstrate that a conversion of special mobile equipment to be fueled by clean fuel is eligible for the tax credit, proof of purchase shall be made by submitting the following documentation to the executive secretary:

(1) a description, including serial number, of the special mobile equipment for which credit is to be claimed;

(2) the fuel type before conversion;

(3) the fuel type after conversion;

(4) the conversion equipment manufacturer and model number;

(5) the date of the conversion;

(6) the name, address and phone number of the person that converted the special mobile equipment; and

(7) an original or copy of the purchase order, customer invoice, or receipt; and

(8) proof of certification required in 59-10-1009(1)(b) or 59-7-605(1)(b).

**KEY: air pollution, alternative fuels, tax credits, motor vehicles**

**Date of Enactment or Last Substantive Amendment: 2008**

**Notice of Continuation: July 13, 2007**

**Authorizing, and Implemented or Interpreted Law: 19-2-104; 19-1-402; 59-7-605; 59-10-1009**

## **Human Services, Juvenile Justice Services**

### **R547-3**

## **Juvenile Jail Standards**

### **NOTICE OF PROPOSED RULE**

(Amendment)

DAR FILE NO.: 31935

FILED: 09/09/2008, 14:38

### **RULE ANALYSIS**

**PURPOSE OF THE RULE OR REASON FOR THE CHANGE:** The purpose of this amendment is to add an Authority Statement to the rule; and in response to H.B. 78 from the 2008 General Session, the agency is required to change the code citations to match the recodification of Title 78. (DAR NOTE: H.B. 78 (2008) is found at Chapter 3, Laws of Utah 2008, and was effective 02/07/2008.)

**SUMMARY OF THE RULE OR CHANGE:** The Authority Statement has been added. The appropriate citations have been updated. Additionally, since history has proven that juveniles are not held for more than two hours, sections outlining details for longer holds were deleted.

**STATE STATUTORY OR CONSTITUTIONAL AUTHORIZATION FOR THIS RULE:** Section 62A-7-201

**ANTICIPATED COST OR SAVINGS TO:**

- ❖ **THE STATE BUDGET:** None--The changes are for clarification.
- ❖ **LOCAL GOVERNMENTS:** None--The changes are for clarification.
- ❖ **SMALL BUSINESSES AND PERSONS OTHER THAN BUSINESSES:** None--The changes are for clarification.

**COMPLIANCE COSTS FOR AFFECTED PERSONS:** None--The changes are for clarification.



## State of Utah

# FIVE-YEAR NOTICE OF REVIEW AND STATEMENT OF CONTINUATION

DAR file no:

Date filed:

Utah Admin.

R307-121

Time filed:

Code ref. (R no.):

1. Agency: Environmental Quality/Air Quality

Room no.:

Building:

Street address 1: 150 N 1950 W

Street address 2:

City,state,zip: SALT LAKE CITY, UT 84116-3085

Mailing address 1: PO BOX 144820

Mailing address 2:

City,state,zip: SALT LAKE CITY, UT 84114-4820

**Contact person(s):****Name:****Phone:****Fax:****E-mail:****Remove:**

Kimberly Kreykes 801-536-4042 801-536-4099 kkreykes@utah.gov

(Interested persons may inspect this filing at the above address or at DAR between 8:00 a.m. and 5:00 p.m. on business days.)

**2. Title of rule or section (catchline):**

General Requirements: Clean Air and Efficient Vehicle Tax Credit.

**3. A concise explanation of the particular statutory provisions under which the rule is enacted and how these provisions authorize or require the rule:**

Sections 59-7-605 and 59-10-1009 authorize an income tax credit for those purchasing a new vehicle that uses clean fuels and for those who retrofit a vehicle to use clean fuels. R307-121 sets forth conditions for eligibility and the process of application for corporate and individual income tax credits.

**4.**

**A summary of written comments received during and since the last five-year review of the rule from interested persons supporting or opposing the rule:** R307-121 has been amended twice since the last five-year review: June 2008, DAR # 31389, and October 2008, DAR# 31928. Comments were received on the June 2008 amendment and are summarized below. No other comments were received.

COMMENT 1 (John Mitton NaturalDrive Partners): The Division of Air Quality should consider extending the grant and loan program as well as the alternative fuel tax credits to include not only vehicles which have valid EPA certifications of conformity, but also to vehicles which have been granted Testing Exemptions from EPA. RESPONSE 1: The intent of this program is to provide an incentive for taxpayers to convert their vehicles to use a cleaner burning fuel or to buy a vehicle that was built by an original equipment manufacturer (OEM) to run on a cleaner burning fuel. To demonstrate that the converted vehicle is cleaner than before the conversion, Utah Code 59-7-605 and 59-10-1009 require one of the following as proof of certification: a certification of the conversion equipment by the federal Environmental Protection Agency, a certification of the conversion equipment by a state whose certification standards are recognized by the board, testing the motor vehicle before and after installation of the conversion

equipment in accordance with 40 CFR Part 86, any other test or standard recognized by board rule. As required in the Utah Code, the testing exemption would not qualify under any of these categories. COMMENT 2 (John Mitton NaturalDrive Partners): The Division of Air Quality might also consider mirroring the Federal statute in providing that the seller of the vehicle or conversion could capture the tax credit in the event the buyer is a non-taxpaying entity. This would provide immediate assistance to, for example, a municipality which is converting a fleet to an alternative fuel, as opposed to the current provision which would likely provide some assistance in the future resale value of the vehicle. RESPONSE 2: Utah Code 59-7-605 (3) and 59-10-1009 (3) only extends this tax credit to a claimant, estate, or trust that has purchased the vehicle. This would require a change to the Utah Code that would allow others to claim the tax credit. In addition, the Grant and Loan Program was created to allow non-taxpaying entities a way of offsetting the cost of buying alternative fuel vehicles. COMMENT 3 (Kathy Van Dame, Wasatch Clean Air Coalition): There seems to be some inconsistencies between R307-121 and R307-123 in Sections -4(4)(a) and (b). RESPONSE 3: UDAQ agreed and changed the language in 307-123 to match the language in R307-121.

5. **A reasoned justification for continuation of the rule, including reasons why the agency disagrees with comments in opposition to the rule, if any:**  
R307-121 is authorized by 59-7-605 and 59-10-1009.

6. **Indexing information - keywords (maximum of four, in lower case):**  
alternative fuels, tax credits, air pollution, motor vehicles

7. **Attach an RTF document containing the text of this rule change (filename):**  
No document is associated with this filing.

**To the agency:** Information requested on this form is required by Section 63-46a-9. Incomplete forms will be returned to the agency for completion, possibly delaying the effective date.

### AGENCY AUTHORIZATION

Agency head or designee, and title: <i>Boyan Chit</i>	11/06/2008 Date (mm/dd/yyyy):
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Non Printable